

For Immediate Release

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May 20, 2012

Administration's proposed "savings" inconsequential, costs potentially devastating

Baton Rouge- The Louisiana State Employees' Retirement System (LASERS) has repeatedly warned that the administration's pension proposals could have a devastating financial impact on thousands of our members as well as the other taxpayers of our state.

The Senate Retirement Committee Chairman Elbert Guillory made this point abundantly clear when he stated on the Senate floor, "We cannot protect people from making bad decisions in their lives." He said a retiree may have to apply for food stamps, welfare and other government programs.

The administration's pension package primarily targets LASERS rank-and-file active and retired members, those least able to speak up on their own behalf. The repeated justification has been that these changes are necessary to reduce the debt owed to the system and save the system for future retirees. The facts do not support this.

The administration claims the changes are needed to address ever-increasing pension costs and that the systems are unsustainable. What they fail to mention is that only 1/3 of the debt is owed to LASERS. And the majority of that was intentionally created by the method the state chose to pay down the debt, a method that is finally on the cusp of beginning to reduce the debt.

The "savings" being generated by these proposals is so small as to be virtually inconsequential. In fact, they may result in a significant initial cost by triggering an early exodus of public servants and a flood of litigation. Then, as noted by Sen. Guillory, the state can expect to see a later cost resulting from increased demand for public assistance. Our members do not have Social Security. Their retirement security is LASERS.

LASERS concern from the outset, in addition to the constitutional ramifications, has been the resulting harshness that will be experienced by those taxpayers who have done nothing more than render a career to public service.

The average rank-and-file benefit is under \$22,000 a year. Is it better to have seniors living on welfare than living on modest yet earned pension benefits?

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